

Doing Business In Missouri... Taxes

A joint project of:



OUTREACH & EXTENSION
UNIVERSITY OF MISSOURI
LINCOLN UNIVERSITY



MISSOURI
SMALL BUSINESS
DEVELOPMENT CENTERS

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Preface

Missouri businesses contribute significantly to the economy of the state by creating new jobs and expanding markets for Missouri products.

Doing Business In Missouri...Taxes is designed to provide information to new or existing business owners on how to obtain tax assistance in the state.

RESOURCE AGENCIES

Additional copies of this publication or assistance in getting your new business started can be obtained from your County University Outreach and Extension office or regional Small Business Development Center. Contact information for these organizations can be found in your local telephone directory. You can also contact the Missouri Business Assistance Center:

Missouri Business Assistance Center
Missouri Department of Economic Development
301 West High Street, Room 720
P.O. Box 118
Jefferson City, MO 65102-0118
Phone: 1-888-751-2863
Fax: 573/526-2416
E-mail: mbac@mail.state.mo.us
Web: <http://www.ecodev.state.mo.us/mbac>

ICONS USED IN THIS BOOK

The following icons are used throughout this book to alert you to important information:



Identifies state or federal forms that must be filed.



Carefully read and comply with these requirements. This icon designates information that may be critical to your new business endeavor. Generally, contains legal, licensing or regulatory information.



Designates information or resources that you should “check out.”



Highlights helpful or cautionary information. Generally this refers to state or federal regulations that may affect your business; also references important resources and helpful hints.

ASSISTANCE FOR SPEECH AND HEARING IMPAIRED

Assistance for the speech and hearing impaired is available through RELAY MISSOURI at 1-800-735-2466 (voice) or 1-800-735-2966 (TT). Copies of this publication are made available on audiotape for the visually impaired. Please contact the Wolfner Library for the Blind and Physically Handicapped (573/751-8720 or 1-800-392-2614) for ordering information.

DISCLAIMER

This publication is intended to serve as a reference document and in no way attempts to provide all of the information necessary to doing business in Missouri. It is published with the understanding that the publisher is not engaged in rendering legal, accounting or other professional services. The advice of an attorney and/or accountant should be sought before entering into any business activity or contract.



UNIVERSITY OUTREACH AND EXTENSION

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SMALL BUSINESS DEVELOPMENT CENTERS

Small Business Development Centers operate in partnership with the U.S. Small Business Administration under Cooperative Agreement No. 1-7620-0026-13. The support given by the U.S. Small Business Administration through such funding does not constitute an express or implied endorsement of the co-sponsor(s)' or participants opinions, products or services. Programs are nondiscriminatory, and reasonable accommodations will be made, upon request, for persons with disabilities.

This publication was supported by the Missouri SBDC in partnership with the U.S. Small Business Administration

Taxes

Understanding the taxes that apply to your business and how to meet the legal requirements of those taxes is critical. Consultation with an accountant or attorney is advisable.

FEDERAL TAXES

FICA

The Federal Insurance Contributions Act provides for a federal system of old age, survivors, disability and hospital insurance (Medicare). The old age, survivors and disability portion is financed by the Social Security Tax, while the hospital insurance portion is financed by the Medicare tax.

Self-Employment Tax

You must pay Self-Employment Tax if:

1. You were self-employed and your net earnings from self-employment (excluding any church employee income) were \$400 or more; or
2. You performed services for a church as an employee and received income of \$108.28 or more. However, if you are a member of the clergy or a religious worker, you may not have to pay Self-Employment Tax.

You are self-employed if you carry on a trade or business as a sole proprietor, an independent contractor, a member of a partnership, LLC, or are otherwise in business for yourself.

You do not have to carry on regular full-time business activities to be self-employed. Part-time work, including work you do on the side in addition to your regular job, may also be self-employment.

A trade or business is generally an activity carried on for a livelihood or in good faith to make a profit. The facts and circumstances of each case determine whether or not an activity is a trade or business. Regularity of activities and transactions and the production of income are important elements. You do not need to actually make a profit to be in a trade or business as long as you have a profit motive. You do need, however, to make ongoing efforts to further the interests of your business.

The Self-Employment Tax rules apply even if you are fully insured under social security or have started receiving benefits.

For a Business Tax Kit or a copy of Publication 533 *Self-Employment Tax*, call the **IRS** at 1-800-829-3676.

Corporate Estimating Tax

A corporation must file with the state a Declaration of Estimated Tax (MO Dept. of Revenue form MO-1120ES) and a Federal Estimated Tax (IRS form #1040ES).

Excise Tax

The federal Government imposes excise taxes on various types of business activities. Some excise taxes are on the production or sale of certain goods, while others are on services or the use of certain products or facilities. Still others are imposed on specific types of businesses.

Most federal excise taxes are reported on *Form 720, Quarterly Federal Excise Tax Return*, the most common excise tax form. Environmental taxes on petroleum and 42 designated chemical substances are reported on Form 6627 and attached to *Form 720*. Federal excise taxes can be broken down into several major categories.

- Motor vehicle highway use tax;
- Retailer taxes on certain fuels;

Other retail excise taxes are imposed on sales of:

- Heavy trucks and trailers;
- Tires and tubes;
- Recreation equipment, such as bows, arrows, fishing rods, reels, lures, and creels;
- Firearm and ammunition.
-

Other excise taxes exist on following as well:

- Air transportation - If you are in the business of transporting people by air, you may have to collect an excise tax;
- Telephone and teletype services;
- Wagering;
- Coal mined in the United States;
- Alcohol and tobacco products;
- Manufacturers of certain vaccines - Certain vaccines manufactured or imported into the United States are subject to an excise tax in order to create a Vaccine Injury Compensation Trust Fund, a no-fault program for compensating persons who are injured by, or die from, certain vaccines.

There are also several environmental excise taxes, such as:

- An excise tax on ozone-depleting chemicals;
- An oil spill liability excise tax
- Environmental taxes on petroleum products, various chemicals, and hazardous wastes.

A luxury tax applies to retail purchases of passenger automobiles costing more than \$30,000.

For further taxes information on excise taxes and other federal taxes, you may wish to obtain *IRS Publication 334, Tax Guide for Small Businesses*. Or for more detail information on excise taxes, *IRS Publication 510, Excise Taxes*.

STATE TAXES

Corporate Income Tax

State law sets the corporate income tax rate at 6.25 percent of Missouri taxable income. In addition, Missouri allows 50 percent of federal income tax liability to be deducted before computing taxable income. Using this deduction, a corporation with federal taxable income of \$1,000,000 and a federal tax liability of \$340,000 would have a Missouri effective tax rate of only 5.2 percent.

Missouri's tax structure provides corporations with one of the most favorable situations in the nation. Our tax requirements are responsibly based and competitive. Yet, because Missouri government is efficiently managed (deficit spending is unconstitutional) it can still maintain a high level of services and facilities through its sound fiscal practices.

Only 4.5 percent of Missouri's tax revenue is derived from corporate income taxes. About 50.4 percent of the state's revenue comes from sales and gross receipts taxes. Another 7.9 percent comes from licenses and fees.

In most cases, a company located in Missouri will have a lower corporate tax bill than in other states. Furthermore, an individual taxpayer in Missouri pays about \$319 less in per capita taxes than the average taxpayer in the U.S. Only five states in the country have a lower per capita tax liability than Missouri.

Sole Proprietorship / Partnership / S Corporation

All net business income is taxable to the Sole Proprietorship or to the Partnership/S Corporation according to each partner or shareholder's share of ownership. Your personal income tax rate depends on your level of total personal income. On your federal return you may be able to deduct from your gross income some personal expenses that are directly related to your business.

Personal Income Tax

Missouri's individual income tax rates are graduated from a low of 1.5 percent on taxable incomes of \$1,000 or less, to a high of \$315 plus 6 percent on taxable incomes in excess of \$9,000. Taxable income may be reduced by a portion of your federal income tax liability. Additional deductions include an allowance for each dependent, personal exemption, and federal standard or itemized deductions (which includes a deduction for FICA taxes paid through withholding).

Withholding Tax

Every employer maintaining an office or transacting any business in Missouri and making payment of wages to a resident or nonresident individual must obtain a Missouri Employer Tax Identification Number. State tax is then withheld from the employees payroll and remitted to the Missouri Department of Revenue. For more information contact: Tax Administration Bureau, P.O. Box 999, Jefferson City, MO 65108-0999; phone: 573/751-5752.

Refer to "Doing Business In Missouri...Hiring Employees," for a detailed discussion on hiring employees.

Sales Tax Number

Any business making retail sales must obtain a Missouri Retail Sales License from the Missouri Department of Revenue. A bond, based on projected monthly gross sales, must be posted at the time of application. An application form (Form #2643) to register for sales tax can be obtained from the Missouri Department of Revenue or from our office. Generally, a wholesaler or manufacturer will present a Sales/Use Tax Exemption Certificate (Form #149) to the seller showing the sale is exempt from sales tax.



Forms required: MO Revenue Form 2643
MO Revenue Form 149



The Missouri Department of Revenue also maintains a "Forms by Fax" service that permits you to obtain, by fax, many tax forms you will require (both state and some federal forms). To use this service, simply dial 573/751-4800 from your fax machine's handset and follow the instructions to request the forms you need. The forms will be faxed immediately to your fax machine. For the four-page Master Document List, showing the form request numbers for all forms, request Document No. 1.

If you have a personal computer equipped with a modem and basic communications software you can obtain tax information from the Missouri Department of Revenue's Bulletin Board System MODOR BBS. To access this resource, please dial 573/751-7846. On your initial log-in, the system will prompt you for your name and other information to establish your

Account. You will then choose a password for future access to the system. Use of the system is free of charge; only normal telephone line charges apply. The BBS will be updated and expanded regularly, so the Department encourages users to check its contents frequently.

The Department of Revenue also has a homepage on the World Wide Web. Individuals with access to the Internet can obtain informational materials and Missouri tax forms via this source. The address is:
<http://www.dor.state.mo.us>

For assistance with particular tax matters, please contact your nearest Missouri Department of Revenue Taxpayer Service Center. A complete listing is found in the Resources section of this publication.

The 4.225 percent state sales/use tax rate in Missouri is lower than the rates in 35 other states. Missouri communities have the option of adopting a local sales tax, generally ranging from one-half to one percent. Counties may also adopt a sales tax generally ranging from one-fourth to one percent.

Use tax is similar to sales tax, but is imposed when tangible personal property comes into the state and is stored, used or consumed in Missouri. Communities have the option of adopting a local use tax equal to the local sales tax for that community.

Missouri has responded to the needs of industry by providing eighteen major exemptions from sales/use taxes:

1. Machinery and equipment used to establish a new, or expand an existing manufacturing facility are tax-exempt, provided such machinery/equipment is used directly to manufacture a product ultimately intended for sale.
2. Replacement machinery and equipment used directly in manufacturing a product ultimately intended for sale.
3. Machinery, equipment and devices that abate air pollution. To qualify for this exemption, a company need only have the appropriate state governmental agency certify that the equipment is pollution control equipment.
4. Machinery, equipment and devices that abate water pollution. To qualify for this exemption, a company need only have the appropriate state governmental agency certify that the equipment is pollution control equipment.
5. For tax periods beginning after December 31, 1995, machinery and equipment used to establish a new, or replace or expand an existing material recovery processing plant. The plant must convert recovered materials into a new product or different form. After August 28, 1996, this exemption includes equipment used to transport recycled materials to the recycling center (not including motor vehicles).

6. All materials and supplies used to install this tax-exempt machinery and equipment also may be purchased tax-exempt.
7. Sales tax is not imposed on electricity consumed in the manufacturing process provided the cost of the electricity exceeds ten percent of total production costs. The cost of electrical energy consumed in the manufacturing process cannot be included in total production costs to qualify for the exemption. Electricity used for non-manufacturing purposes, such as lighting and heating, is taxable.
8. Electricity or gas, whether natural, artificial or propane, is tax-exempt when used in connection with basic steel making.
9. For tax periods beginning after December 31, 1995, electricity which is converted to stored chemical energy for providing an initial charge in lead-acid storage batteries during the manufacturing process, if this electricity is separately metered. This exemption does NOT apply to any local sales taxes.
10. Anodes used in manufacturing or other types of production, with a useful life of less than one year, may also be acquired tax-exempt.
11. For tax periods beginning after December 31, 1995, computer, computer software, and computer security systems purchased for use by architectural, engineering, or accounting firms headquartered in Missouri.
12. Exempts non-reusable items furnished to hotel or motel guests from sales and use tax.
13. Exempts samples and materials used to manufacture prescription drug samples that can be dispensed by an authorized practitioner.
14. Exempts slagging materials, firebrick and other products (including gases) that are blended with, or become ingredients or other component parts of steel products.
15. Exempts electrical energy meeting certain criteria whether facilities are leased or owned.
16. Exempts electrical energy used for cold storage at production facilities.
17. Exempts sales of barges used in interstate waterways for transportation of property or cargo.
18. Exempts sales of "livestock" (the definition of which is expanded to include goats, horses, other equine and rabbits). This exemption will also apply to medications, vaccines, feed additives, feed and bedding purchased for these animals if they are used in the production of food or fiber.



Retail Sales Tax

Any person or company that has a business location in Missouri from which they sell or lease goods to a final consumer is required to collect and remit Missouri sales tax. Also, any company that leases motor vehicles (including boats, trailers, and outboard motors) is required to collect and remit Missouri sales tax. If the lease period is 60 days or less, the sales tax is based on the address of the lessor. If the lease period is over 60 days, the sales tax is based on the address of the lessee. It is the business' responsibility to ensure that sales tax is collected at the correct tax rate. You must have a Missouri Retail Sales License prior to making sales. If you conduct retail sales without a valid Missouri Retail Sales License, you may be assessed a penalty in the amount of up to \$500 for the first day and \$100 for each subsequent day, not to exceed \$10,000, in addition to any other penalties or interest that may be imposed. For the first twenty days this penalty does not apply to persons opening a business in the state of Missouri for the first time.

A bond must accompany the application for the license. The amount of the bond is based on your estimated monthly gross sales. The amount of your bond is calculated as follows:

$$\begin{aligned} \text{Estimated monthly gross sales} \times \text{your tax rate} &= \text{monthly tax} \\ \text{Monthly tax (round to highest \$10)} \times 3 &= \text{amount of bond} \end{aligned}$$

“Estimated monthly gross sales” is the amount of sales you estimate your business will make in taxable sales in an average month. If you are a small business, one of the things you should consider in estimating your average monthly gross is your operating expenses, such as rent, utilities, etc. Your average monthly gross should be higher than your estimated operating expenses. If you calculate the amount of bond to be less than \$500, you are only required to submit a \$25 bond. If you calculate your bond to be \$500 or greater, you should submit the amount of bond figured.

Example 1: Ms. Brown will be opening a craft store in Jefferson City, which has a sales tax rate of 6.225%. Because the business is new and has no history of sales, she must estimate her average gross sales per month to compute the bond. Ms. Brown estimated her average gross sales to be \$5,000 per month. This is how Ms. Brown computed her bond:

$$\begin{aligned} \$5,000 \times 6.225\% &= \$311.25 \quad (\text{round to next high ten} = \$320.00) \\ \$320 \times 3 &= \$960.00 \\ \text{Amount of bond} &= \$960.00 \end{aligned}$$

Example 2: Mr. Wilson is purchasing a bait shop in Columbia which has a sales tax rate of 6.975%. The previous owner of the bait shop averaged \$2,000 per month in sales. This is how Mr. Wilson computed his bond:

$$\begin{aligned} \$2,000 \times 6.975\% &= \$139.50 \quad (\text{round to next highest \$10} = \$140) \\ \$140 \times 3 &= \$420 \end{aligned}$$

Amount of bond = \$25 (\$420 is less than \$500, therefore a \$25 bond may be posted)

If you are unable to estimate your bond, you can contact the Tax Administration Bureau (573/751-5860) or one of the Regional Field Offices listed in the Chapter 7, “Resources”, under Department of Revenue. The Tax Administration Bureau reviews all bond amounts to ensure they are sufficient and in accordance with Missouri Statutes. The following items are taken into consideration when determining a sufficient bond amount: previous ownership of business, types of products or services sold, location of business, business hours, operating expenses, etc.

Bonds may be posted in the following manner:

1. Cash Bond
2. Surety Bond
3. Irrevocable Letter of Credit
4. Certificate of Deposit

Complete information on the various types of bonds is included in the Missouri Tax Registration Application.

Food Sales

Effective October 1, 1997 a three percent (3%) sales and use tax exemption exists for certain food items.

Examples of exempt foods include: general food items; fresh fruit and vegetables; meat, eggs, dairy products; ice, water - including bottled water; cold drinks; candy, gum; coffee beans/ground coffee/instant coffee; bread; spices, cooking spray, shortening; foods (not hot) sold through vending machines. Certain vending machine sales also qualify for the 3% exemption.

Contact the Missouri Department of Revenue (573/751-2836 or 1-800/751-2836) for more information.



Purchase of Existing Business

Before you purchase an existing business, be sure that you obtain a “Certificate of No Tax Due” (issued by the Missouri Department of Revenue) from the previous owner of the business. Without this document, you may also be purchasing existing sales or withholding tax obligations. Refer to page 31 for a complete discussion.

Craft Sellers

Craft sellers must charge the sales tax rate at the point of sale. For example, a vendor from Kirksville that sells at a show in Springfield, must charge the sales tax rate for the city of Springfield and note those sales separately on their sales tax report to the MO Dept. of Revenue. If you go to a show in another state, you need to obtain a sales tax number for that state unless the sponsor of the show has obtained a sales tax number and is collecting and reporting for all vendors at the show.

Vendor's Use Tax

Out-of-state businesses making sales of goods to the final consumer located in Missouri, may be required to collect and remit Missouri vendor's use tax. They must obtain a Missouri Use Tax License and post a bond.

Out-of-state businesses that lease goods to Missouri customers from an out-of-state business location are required to collect and remit Missouri vendor's use tax. They also must obtain a Missouri Use Tax License and post a bond.

Consumer's Use Tax

If your business is located in Missouri and is purchasing goods from an out-of-state vendor for consumption, when Missouri tax was not collected at the time of purchase, you are required to remit Missouri Consumers Use Tax. You must register for the payment of Use Tax; however, no bond is required. For more information, call 573/751-2836 or 1-800-877-6881.

Fee on the Sale of New Tires

Retail sellers of new tires are required to collect from the purchaser of the new tires, a fee of \$.50 for each new tire sold. The fee is then remitted to the Missouri Department of Revenue. For more information, please contact: Tax Administration Bureau, Tire Fee, P.O. Box 3040, Jefferson City MO 65105-3040; phone: 573/751-2836 or 1-888-751-2836.

Cigarette and Other Tobacco Products

Missouri law requires all wholesalers of cigarette and other tobacco products to secure a written license from the Director of Revenue. For more information on the requirements for these sales please contact: Tax Administration Bureau, Miscellaneous Tax Section, P.O. Box 811, Jefferson City, MO 65105-0811; phone: 573/751-5857.

Fuel Tax

Missouri law requires transporters, distributors and terminal operators of fuel to be licensed with the Missouri Department of Revenue. For more information, contact the Tax Administration Bureau, Fuel Tax Section, P.O. Box 300, Jefferson City, MO 65105-0300; phone 573/751-2611.

Property Tax

Missouri law sets the assessment ratio for personal property at one-third of true value throughout the state. Real properties (land and buildings) classified as commercial and industrial, are assessed at 32 percent; residential, 19 percent; and agricultural, 12 percent of true or fair market value. The local property tax rate is an aggregate of school, city, county and state levies expressed in tax per \$100 assessed valuation. Commercial and industrial real property is assessed an additional county surcharge designed to replace revenues lost by the tax exemption of business inventories.

Inventories Exempt

Manufacturer's inventories (raw materials, goods in process and finished goods), as well as goods and wares of retailers, distributors and wholesalers are exempt from property taxes in Missouri.

Real Property Abatement: Urban Redevelopment Corporations Law ("Chapter 353") and Missouri Enterprise Zone Law

Missouri promotes urban redevelopment through a potential 25-year ad valorem tax incentive program known as Chapter 353. Under this program, up to 100 percent of improvements to real property may be exempt from state and local property taxes for up to 25 years. This law is applicable to any size city in Missouri.

Missouri enterprise zones may also abate improvements to real property up to 100 percent for up to 25 years.

UNEMPLOYMENT INSURANCE

Most companies doing business in Missouri are required to pay unemployment insurance to protect their workers during unemployment. This applies to most businesses having one or more workers on the payroll for 20 weeks during the calendar year, and to businesses paying an individual employee \$1,500 in a given quarter.

1995 rates are based on the first \$8,500 of each employee's annual salary. The employer with a credit balance will contribute at a rate of 0.10 percent to 3.51 percent. The employer with a deficit account will pay up to 7.8 percent; and a manufacturer new to Missouri with no experience rating, will pay the normal entry rate of 3.51 percent for two years.

WORKER'S COMPENSATION



All businesses with five or more employees (except agricultural or domestic labor) must provide worker's compensation insurance to protect their workers in case of job-related injury, illness or death. Companies can offer this protection through a private insurance carrier or they can become self-insurers. Premium rates vary, depending on the risks associated with special occupations. As in most states, the premium rates apply to an employee's total annual salary. The maximum weekly benefit for temporary total disability, temporary partial disability, permanent total disability and death are currently computed as 105 percent of the average weekly wage, determined annually on July 1st. Missouri's worker's compensation rates compare favorably with those in other states. Though benefits for claimants in other states usually increase automatically from year to year, in Missouri benefits cannot be increased without the review and approval of the state legislature.

FRANCHISE TAX

Missouri's franchise tax is based on capital employed in a company. The rate is one-twentieth of one percent, or \$0.50 per \$1,000 of par value of outstanding shares and surplus or total assets. Corporations with less than \$200,000 outstanding shares and surplus are not taxed.

RECORDS RETENTION



New business owners frequently have questions about the records they must keep for tax purposes. The following list includes the most common documents you should keep. All businesses should retain items 1 through 6. If you are operating a business that makes retail sales, you should also keep items 7 through 10.

1. Copies of Federal Income Tax returns (retain at least three to five years).
2. Sales journals and/or receipts journals (retain at least five years).
3. Purchase journals and/or check registers (retain at least five years).
4. General ledgers (retain at least five years).
5. Detailed depreciation schedules (retained until items are fully depreciated, or at least five years, whichever is longer). Note: The depreciation schedule should show detail as to where the item was purchased. It is also suggested that all purchase invoices listed on the depreciation schedule be filed separately rather than with the other expense purchases.
6. Copies of paid bills for goods and services (retain at least five years).
7. Copies of Letters of Exemption to support claims for exemption regarding sales to tax exempt entities. You should be aware of the expiration date on each letter of exemption.
8. Copies of the checks from tax exempt entities to prove that payment for the tangible personal property or taxable service was made from the funds of the tax exempt entity and not those of an individual member of the tax exempt entity.
9. Updated and fully completed resale exemption certificates. (Resale exemption certificates must be signed by an owner or officer and must be updated every five years.)
10. Copies of the sales and use tax returns and backup documents used to prepare these returns (these should be retained at least five years).

The following payroll records should be retained for at least three years in the event of a withholding tax audit:

1. Copies of W-2 forms
2. Monthly payroll records showing the actual Missouri withholding
3. Copies of the MO941 reports

The nature of your business may require that you keep additional records. Please use these lists as a general guide, but consult with your tax practitioner for advice about your specific needs.

STATE TAX CREDITS

The following is a listing, as of the date of publication, of the various tax credit programs available to qualifying Missouri businesses. For more information on any of the programs or for an application form, please contact the listed agency.

New or Expanded Business Facility Credit

If you are a manufacturer, wholesale distributor, office tenant, truck, barge, or rail line operator, interchange telecommunications company facility, or mining, warehouse, or research/development operator, agricultural farm implement dealer, poultry producer, insurance carrier or recycler you may be eligible to claim this credit if you established a new facility or expanded an existing facility and created new jobs and new investment. For more information, forms and approval to claim this credit, contact: Missouri Department of Economic Development, Incentives Section, P.O. Box 118, Jefferson City, MO 65102-0118, or call (573) 751-0717.

Missouri Low Income Housing Credit

If you are an owner of or investor in rental property, approved for a federal low income housing credit, you may also be eligible for the Missouri low income housing credit in an amount up to 100% of the project's federal tax credit. A statement authorized and issued by the commission certifying that a given project qualifies for the Missouri low income housing credit must accompany your tax return. For more information, forms and approval to claim this credit, contact: Missouri Housing Development Commission, 3435 Broadway, Kansas City, MO 64111, or call (816) 759-6600.

Enterprise Zone Credit

You may be eligible for this credit if you established a new facility or expanded an existing facility in an enterprise zone and created new jobs and new investment. For more information, forms and approval to claim this credit, contact: Missouri Department of Economic Development, Incentives Section, P.O. Box 118, Jefferson City, MO 65102-0118, or call (573) 751-0717.

Small Business Investment Credit

If you have made a monetary contribution to an approved small business in Missouri, you may be entitled to this credit. For more information, forms and

approval to claim this credit, contact: Missouri Department of Economic Development, Office of Business Finance, P.O. Box 118, Jefferson City, MO 65102-0118, or call (573) 751-0295.

Processed Wood Energy Credit

Companies producing processed wood energy products from Missouri timber waste are eligible for an energy tax credit. The credit may be claimed for a period of five years and is to be a credit against tax otherwise due. This credit is for producing an end product, not for the building of wood. For more information, forms and approval to claim this credit, contact: Missouri Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176, or call (573) 751-4000.

Historic Preservation Credit

If you have incurred expenses for the rehabilitation of an eligible historic structure, you may be entitled to claim this credit. For more information, forms, and approval to claim this credit, contact: Missouri Department of Economic Development, Community Development Program, P.O. Box 118, Jefferson City, MO 65102-0118 or call (573) 522-8006.

Sponsorship and Mentoring Program Credit

If you are an employer and incur expenses for the participation of an eligible student in an approved sponsorship and mentoring program, you may be entitled to claim this credit. For more information, forms and approval to claim this credit, contact: Missouri Department of Elementary and Secondary Education, P.O. Box 480, Jefferson City, MO 65102-0480, or call (573) 751-4192.

Wine and Grape Production Tax Credit Program

Beginning January 1, 1999, a grape grower or wine producer shall be allowed a 25% state income tax credit on the amount of the purchase price of all new equipment and materials used directly in the growing of grapes or the production of wine in the state. For more information, forms and approval to claim this credit, contact: Missouri Department of Economic Development, Office of Business Finance, P.O. Box 118, Jefferson City, MO 65102-0118, or call (573) 751-0295.

For additional information on Tax Credits, please contact:

Incentives Section
Missouri Department of Economic Development
P.O. Box 118
Jefferson City, MO 65102-0118
Phone: 573/751-0717
Fax: 573/751-7385
<http://www.ecodev.state.mo.us/cd/finance/programs.htm>